



To the Honorable Council
City of Norfolk, Virginia

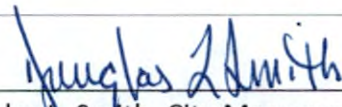
March 27, 2018

From: Nikki Riddick, Director
Department of General Services

Subject: Termination of the Lease
between the City of Norfolk and
Norfolk Stationery Company, Inc.

Reviewed: 
Michael G. Goldsmith, Deputy City Manager

Ward/Superward: 2/6

Approved: 
Douglas L. Smith, City Manager

Item Number: **R-02**

I. **Recommendation:** Adopt Ordinance

II. **Applicant:** City of Norfolk

III. **Description:**

This agenda item is an ordinance to authorize the termination of the lease between the City of Norfolk (the "City") and Norfolk Stationery Company, Inc. ("Norfolk Stationery") for the premises located at 103 Granby Street.

IV. **Analysis**

- Norfolk Stationery entered into a lease with the City on May 1, 2017 for a one (1) year term to end on April 30, 2018.
- By mutual agreement, the City and Norfolk Stationery request the termination of this lease effective March 31, 2018; this is one month before the previous termination date.

V. **Financial Impact**

- The City will be able to open the property up for other rental opportunities.

VI. **Environmental**

N/A

VII. **Community Outreach/Notification**

Public notification for this agenda item was conducted through the City's agenda notification process.

VIII. Board/Commission Action

N/A

IX. Coordination/Outreach

This letter and ordinance have been coordinated with the Department of General Services – Office of Real Estate, the Department of Development, and the City Attorney's Office.

Supporting Material from the City Attorney's Office:

- Ordinance
- Exhibit A – Lease Termination Agreement
- 2017 Lease Agreement

Form and Correctness Approved:

By Nathaniel Saman
Office of the City Attorney

Contents Approved:

By Mike Ridd
DEPT. General Services
EUT

NORFOLK, VIRGINIA

ORDINANCE No.

AN ORDINANCE APPROVING A LEASE TERMINATION AGREEMENT RELATIVE TO THE LEASE BETWEEN THE CITY OF NORFOLK AND NORFOLK STATIONERY COMPANY, INCORPORATED FOR THE PREMISES LOCATED AT 103 GRANBY STREET.

- - -

WHEREAS, Norfolk Stationery Company, Incorporated ("Norfolk Stationery") entered into a Lease Agreement with the City of Norfolk ("City") on May 1, 2017 for a one (1) year term to end on April 30, 2018 ("Lease"); and

WHEREAS, Norfolk Stationery and the City desire to terminate the Lease, effective March 31, 2018; and

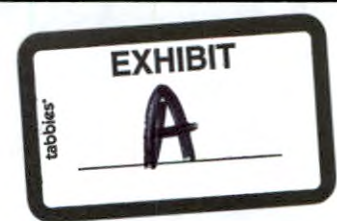
WHEREAS, Council has carefully considered the request by Norfolk Stationery for the early termination of the Lease and is agreeable to such early termination; now therefore,

BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That the Lease Termination Agreement between the City and Norfolk Stationery ("Agreement"), a copy of which is attached hereto as Exhibit A, relative to the premises located at 103 Granby Street, is hereby approved.

Section 2:- That the City Manager, and the other proper officers of the City, are authorized to execute the Agreement, or any other documents as may be necessary to effect the termination of the said lease.

Section 3:- That this ordinance shall be in effect from and after the date of its adoption.



LEASE TERMINATION AGREEMENT

This **LEASE TERMINATION AGREEMENT** ("Termination Agreement") is made as of the _____ day of _____, 2018 by and between the **CITY OF NORFOLK**, a municipal corporation of the Commonwealth of Virginia ("Landlord") and **NORFOLK STATIONERY COMPANY, INCORPORATED**, a Virginia corporation ("Tenant").

RECITALS:

- A. Landlord and Tenant are parties to that certain Lease Agreement dated May 1, 2017, ("Lease"), a copy of which is attached hereto as Attachment 1, relating to the lease of approximately four thousand four hundred thirty-two (4,432) square feet of floor area located at 103 Granby Street, Norfolk, Virginia 23510 ("Premises"), all as more particularly described in Exhibit A to the Lease.
- B. Tenant now desires to terminate the Lease, and Landlord is willing to accept the surrender of the Premises and terminate the Lease, on the terms and conditions that follow below.

AGREEMENT:

NOW, THEREFORE, in consideration of the above recitals which by this reference are incorporated herein, the mutual covenants and conditions contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Early Termination Date. Effective as of 11:59 P.M. on March 31, 2018 ("Early Termination Date"), and subject to the agreements, representations and warranties contained in this Termination Agreement, the Lease is hereby terminated, and the Term of the Lease shall expire with the same force and effect as if the Term was, by the provisions thereof, due to expire on the Early Termination Date. Thereafter, Tenant shall have no further right to occupy the Premises or any portion thereof, and the Lease shall be of no further force or effect whatsoever.
2. Condition of Premises at Surrender. Tenant shall cease business operations in the Premises on or prior to the Early Termination Date. On or prior to the Early Termination Date, Tenant shall completely vacate and surrender the Premises to Landlord. Without limitation, Tenant shall leave the Premises in a broom-clean condition, ordinary wear and tear excepted, and free of all trademarked or trade dress items, counters, casework, cabinets, movable furniture and equipment, and shall deliver the keys to the Premises to Landlord or Landlord's designee. Tenant shall be responsible for any damage to the Premises beyond ordinary wear and tear and shall either repair the damage to Landlord's satisfaction or compensate Landlord for such damage prior to the Early Termination Date. Landlord agrees to accept the surrender of the Premises on the Early Termination Date, subject to Landlord's inspection of the Premises at or before such time of surrender to verify that Tenant has complied with the provisions of this paragraph.
3. Lease Termination Payment. Tenant shall be responsible for the payment of all Base Rent and Additional Rent under the Lease falling due on or prior to the Early Termination Date.

All such payments shall be brought current no later than the Early Termination Date. In the event any such payments have not been brought current by the Early Termination Date, Tenant shall remain responsible for all such payments, shall be charged a late fee of \$50.00, and the remaining balance due shall incur interest at the rate of 10% per annum until paid. Tenant shall further be responsible for any utilities payments in the name of Tenant and shall terminate all such utilities as of the Early Termination Date. Landlord shall not be held responsible for any payments relating to same and Tenant agrees to indemnify and hold Landlord harmless against any claim for such payments.

4. Representations and Warranties.

- (a) Tenant represents, warrants and confirms that, as of the date hereof, (i) Tenant does not have any claim against the Landlord arising from the Lease; (ii) the Lease is in full force and effect and has not been modified (except as stated above in Paragraph A); (iii) Tenant has not transferred, sublet, assigned or conveyed any rights, obligations or claims in, to or under the Lease and/or the Premises to any third-party; (iv) to the best of Tenant's knowledge, there is no default pursuant to the Lease and no event has occurred that would give rise to a default; and (v) the party signing this Termination Agreement on the behalf of Tenant is the only party with an interest in the Lease and the Premises, arising by, through or under Tenant.
- (b) Landlord represents, warrants and confirms that, as of the date hereof, (i) Landlord does not have any claim against Tenant arising from the Lease (with the exception of any lease payments that may become due prior to the Early Termination Date); (ii) the Lease is in full force and effect and has not been modified (except as stated above in Paragraph A); (iii) Landlord has not transferred, sublet, assigned or conveyed any rights, obligations or claims in, to or under the Lease and/or the Premises to any third-party; (iv) to the best of Landlord's knowledge, there is no default pursuant to the Lease and no event has occurred that would give rise to a default; (v) the parties signing this Termination Agreement on behalf of Landlord are the only parties with an interest in the Lease and the Premises, arising by, through or under Landlord; and (vi) any necessary consents and/or approvals to enter into this Termination Agreement on the terms contained herein have been obtained. Each signatory of this Termination Agreement represents and warrants hereby that he or she has the full authority to execute and deliver the same on behalf of the party or parties hereto for which such signatory is acting.
- (c) The warranties, representations, agreements, and obligations contained in this Termination Agreement shall survive the execution and delivery of this Termination Agreement and shall survive any and all performances in accordance with this Termination Agreement.

5. Miscellaneous. This Termination Agreement contains all agreements of the parties as of the date hereof with respect to any matter mentioned herein. No prior agreement, correspondence or understanding pertaining to any such matter shall be effective to

interpret or modify the terms hereof. This Termination Agreement may be modified only in writing, signed by the parties in interest, at the time of the modification.

6. Attorney Fees; Governing Law; Venue. If any party commences an action against the other party arising out of or in connection with this Termination Agreement, the prevailing party shall be entitled to recover from the losing party reasonable attorneys' fees and costs, including expert witnesses' fees, costs of collection and the costs of any appeal. This Termination Agreement will be governed by and construed in accordance with the laws of the State of Virginia applicable to contracts formed and wholly performed within the State of Virginia, without regard to the conflicts of law provisions contained therein. Each party consents to personal jurisdiction in the State of Virginia and the parties specifically agree that venue for any lawsuit, arbitration or other proceeding arising out of or related to this Termination Agreement shall be in Norfolk, Virginia and shall be brought only in the court of appropriate jurisdiction therein.
7. Counterparts. This Termination Agreement may be signed in two or more counterpart copies with the same effect as if the signature to each counterpart copy were on a single instrument. Each counterpart shall be deemed an original as to any party whose signature it bears and all such counterparts shall constitute one document. Facsimile copies shall be deemed originals.
8. Binding Effect. This Termination Agreement shall be binding upon and inure to the benefit of Landlord and Tenant and their respective successors, assigns, related entities, and any party or parties claiming by or through Landlord or Tenant.
11. Definitions. The defined terms in this Termination Agreement shall have the meaning as defined herein and as defined in the Lease.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Termination Agreement on the day and year first above written.

**LANDLORD:
CITY OF NORFOLK**

By: _____
City Manager

Attest:

City Clerk

**COMMONWEALTH OF VIRGINIA
CITY OF NORFOLK, to-wit:**

I, _____, a Notary Public in and for the City of Norfolk, in the Commonwealth of Virginia, whose term of office expires on the ____ day of _____, 20____, do hereby certify that Douglas L. Smith, City Manager and R. Breckenridge Daughtrey, City Clerk, respectively, of the City of Norfolk, whose names are signed to the foregoing Lease Termination Agreement, have acknowledged the same before me in my City and State aforesaid.

Given under my hand this ____ day of _____, 2018.

Notary Public
Registration No. _____

Approved as to Contents:

Director of General Services

Approved as to Form and Correctness:

Deputy City Attorney

TENANT:
NORFOLK STATIONERY COMPANY,
INCORPORATED

By: _____
Name (Print): _____
Title: _____

COMMONWEALTH OF VIRGINIA
CITY OF _____, to-wit:

I, _____, a Notary Public in and for the City of _____, in
the Commonwealth of Virginia, whose term of office expires on the ____ day of
_____, 20____, do hereby certify that _____,
_____(Title) of Norfolk Stationery Company, Incorporated, whose name is signed to
the foregoing Amendment to Lease Agreement, have acknowledged the same before me in my
City and State aforesaid.

Given under my hand this ____ day of _____, 2018.

Notary Public
Registration No. _____

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") made this 1st day of May, 2017, by and between the **CITY OF NORFOLK**, a municipal corporation of the Commonwealth of Virginia ("City"), Lessor and **NORFOLK STATIONERY COMPANY, INCORPORATED** a Virginia corporation ("NSC"), Lessee.

WITNESSETH.

1. **PREMISES.** City, for and in consideration of the rents, covenants and agreements hereinafter mentioned, reserved and contained, to be paid, kept and performed by NSC, does hereby demise and lease unto NSC, and NSC does hereby lease from City the property owned by the City of Norfolk being a portion of Town Point Garage, 4,432 square feet in area, located at 103 Granby Street, in Norfolk, Virginia, as shown in Exhibit A attached hereto ("Premises").

2. **USE.** NSC covenants and agrees to use and occupy Premises for the operation of Norfolk Stationery Company Inc. and for no other purpose.

3. **LEASE TERM.** This Lease is for a one year term and will commence on May 1 2017 ("Commencement Date") and will terminate on April 30, 2018 ("Termination Date"), subject to the default provisions contained in Section 24

4. **EARLY TERMINATION** NSC or City may terminate this Lease at any time with eight (8) months written notice to the other party

5. **RENT** Rent shall be made payable to the Norfolk City Treasurer in the amount of Four Thousand Six Hundred Six Dollars and 78/100 (\$4,606.78) per month.

The rent shall be paid in monthly installments, made promptly on the first day of each month during the term of this Lease without demand and without offset or deduction. No payment by NSC or receipt by City of a lesser amount than the monthly installment stipulated in this Lease shall be deemed other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or payment, or any writing accompanying any check or payment of such rent, be deemed an accord and satisfaction, and City may accept such check or payment without prejudice to City's right to recover the balance of such rent or pursue any other remedy provided in this Lease.

6. **PAST DUE RENT AND LATE CHARGES.** NSC hereby acknowledges that late payment by NSC to City of rent or other sums due hereunder will cause City to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. In the event NSC shall fail to pay, when the same is due and payable, any Rent, charges or adjustments, and if said sums have not been paid within five (5) days of their due date, then NSC shall pay to City a "Late Charge" of five percent (5%) of the amount due on all rents. NSC further covenants and agrees to pay City as a "bad check" or returned check charge the amount of Fifty Dollars (\$50.00) per bad check.

7 **UTILITIES AND OTHER COSTS.** NSC will pay all charges when due for water and sewerage, gas and electricity and other utility charges and utility taxes in connection with the Premises. NSC will be responsible for all janitorial costs.

8. **NO JOINT VENTURE.** It is hereby agreed that nothing contained in this Lease shall be deemed or construed as creating a partnership or joint venture between City and NSC, or between City and any other party, or cause either party to be responsible in any way for the debts or obligations of the other party

9 **NO ASSIGNMENT OR SUBLEASE.** NSC covenants not to assign, mortgage or encumber this Lease nor sublet or suffer or permit the Premises or any portion thereof to be used by others without the prior written consent of the City in each instance. The transfer of fifty percent (50%) or more of NSC's stock, if NSC is a corporation, or the transfer of twenty-five percent (25%) or more partnership interest in NSC, if NSC is a partnership, or the dissolution of NSC as a corporation or partnership, is regarded as an assignment of the Lease, and the same is not permitted without the prior written consent of the City. NSC and any guarantors shall remain liable for this Lease, its terms and covenants in such event that the City does grant consent to an assignment or sublease, and shall guarantee the performance of the assignee or sub-lessee without the need for guarantor's signature or consent thereto.

10. **INDEMNIFICATION AND NSC'S INSURANCE.** NSC, at its own cost and expense, shall obtain and maintain Comprehensive General Liability Insurance on the Premises for the joint and separate benefit of City and NSC in an amount not less than \$1,000,000 for injury to or death of any person or persons, \$2,000,000 for any one occurrence, and \$500,000 for property damage, or in such higher limits as shall be reasonably required by City

NSC will be responsible for any and all damages to NSC's inventory, furniture, fixtures and equipment, and will, at all times during the Term and at its own cost expense, maintain all risk property insurance against damage by fire or other perils in an amount equal to the replacement value of all parts of the Premises for which the NSC is responsible. Each insurance policy shall be so written as to protect the City and the NSC, as their respective interests may appear, and all liability policies shall specifically name the City as an Additional Insured under the policy. If NSC fails to provide such insurance, City may terminate this lease with ten (10) days notice to NSC. Certificates of Insurance verifying all required insurance policies shall be delivered to the City prior to the NSC's occupancy or build-out of the leased space.

NSC agrees to look solely to the proceeds of NSC's own insurer for indemnity against exposure for casualty losses of property or business interruption. NSC warrants that its liability property and business interruption insurers shall have no rights against City by virtue of assignment loan agreement or otherwise.

NSC shall indemnify City for and against any and all claims, demands, suits, actions and judgments of any kind or nature whatsoever, including costs and expenses, for any personal injury or property damage to any person, or property arising or resulting, directly or indirectly from the entry onto the Premises by NSC or NSC's agents.

11 ACCEPTANCE OF PREMISES: NSC hereby agrees to accept the Properties from the City as they are found by NSC in 'as is and where is' condition.

12. ESTOPPEL CERTIFICATE. NSC shall, from time to time and within ten (10) days after request therefore by the City, execute, acknowledge and deliver to the City or its Agent a written Estoppel Certificate in recordable form. The Estoppel Certificate shall certify to the City, its Mortgagee or other party designated by the City as of the date of such Estoppel Certificate that (a) the NSC is in possession of Premises and is currently paying the Base Rent reserved hereunder; (b) the following Lease dates are and have been established: the Commencement Date and Termination Date of the Lease and that date upon which the NSC started to pay rent; (c) that this Lease is unmodified and in full force and effect, or if there have been modifications, that the same are in full force and effect as modified and setting forth such modifications; and (d) that the NSC has no knowledge of any event having occurred that will authorize the termination of this Lease by the NSC, or that the NSC has no knowledge of any uncured defaults on the part of the City under this Lease, or if the NSC has such knowledge, specifying the same in detail. In the event that the NSC does not execute and deliver such Estoppel Certificate, as required herein, then this Article 12, for purposes of this Lease, shall be and shall constitute an Irrevocable Power of Attorney appointing and designating the City its successors and assignees, as the NSC's attorney-in-fact to execute and deliver such Estoppel Certificate as herein provided.

13. SUBORDINATION AND ATTORNMENT NSC agrees that this Lease is subordinate to any mortgage or lien resulting from financing or refinancing, now or hereafter placed upon the land on which the Premises have been built or upon any building hereafter placed upon the land, of which the Premises are a part. NSC will further attorn to and acknowledge the foreclosure purchaser or purchasers as the City hereunder. This shall be self-operative and no further instrument of subordination shall be required by any mortgagee. However NSC shall, upon the request of any party in interest, promptly execute such instrument or certificate to carry out the intent thereof. City agrees to use its best efforts to obtain a non-disturbance agreement.

14. QUIET ENJOYMENT City hereby covenants that NSC, upon fully complying with and promptly performing all the terms, covenants and conditions of this Lease, on its part to be performed, and further, upon the prompt and timely payment of all rental sums due hereunder shall have and quietly enjoy the Premises for the Lease Term set forth herein.

15. MAINTENANCE BY CITY City covenants that it will, at its own cost and expense and with reasonable dispatch after being notified in writing by NSC of the need therefore, make such repairs to the outside utility lines and exterior of the Premises, including the foundation, roof, gutters, down spouts and outside walls, but excepting all storefronts, glass, doors, awnings and canopies, as may be necessary to keep the same in a good, workmanlike condition of repair.

16. MAINTENANCE BY NSC. NSC covenants that it will, during the Term hereof, maintain the interior of the Premises and keep in good working order at its own expense the plumbing, sewerage, heating and lighting fixtures.

17 ADDITIONAL COVENANTS BY NSC: NSC shall not make alterations, additions or improvements to the building structure of which the Premises are a part without first

obtaining City's written approval and consent. For purposes of this Lease, the structural components of the building are hereby defined as the foundation, structural steel, roof, exterior walls, storefront components including storefront glass and doors, back doors, or loading doors, existing interior plumbing improvements, exterior plumbing lines, HVAC unit components and ductwork, electric service, ceiling and light fixtures and common areas. NSC shall present to City plans and specifications for any such work at the time approval is sought from City for NSC structural modifications.

NSC has the right to install its store trade fixtures in the Premises, provided that such installation does not damage the construction of the building nor interfere with the structural components of the building of which the Premises are a part. Such installations shall be at the sole risk and at the expense of the NSC. All fixtures installed by NSC shall remain the property of NSC, and if the NSC is not in default of the Lease, its terms and covenants herein, the same fixtures shall be removed by NSC at the expense of the NSC at the end of the Lease. NSC further agrees to repair and/or to reimburse City for the cost of repair for any damages to the Premises caused by the installation and removal of its trade fixtures. In the event that fixtures are left behind or abandoned, NSC shall pay to City any expenses associated with repairs to the Premises caused by the removal of same fixtures.

NSC's signage is subject to and shall be within the sign criteria established by the Department of City Planning of the City of Norfolk. Design of storefront signage and fabrication and installation of the same shall be approved by the City or its Agent in writing prior to sign installation by NSC at NSC's expense. NSC further agrees to maintain such storefront signage, awning signs, canopy signs, show window lettering, door signs or additional similar advertising signs in a good condition of repair and attractive display at all times.

Signs installed by NSC are the property of NSC, and if NSC is not in default hereunder shall also be removed by NSC at the end of the Term at NSC's expense. Signs that are left behind or abandoned become the property of the City. If NSC abandons sign upon termination of this Lease, or sooner City shall have the right to remove the sign and NSC agrees to be responsible and liable for the cost of such removal and the cost of such repairs occasioned by same removal.

NSC will not use nor permit the Premises to be used for any illegal or immoral purpose. NSC hereby agrees to comply with all Federal, State and Municipal laws, ordinances and regulations as they relate to NSC's business and/or to the Premises in which the NSC's business is located, and the use, storage and disposal of hazardous substances.

NSC shall not make any use of the Premises, which would make voidable or void any policy of fire or extended coverage insurance covering any of the buildings or cause the buildings to become uninsurable. NSC covenants that, without prior written consent of the City, NSC will not do anything which will increase the rate of fire insurance premium on the building. If by reason of any use by NSC of the Premises or the keeping by NSC of any flammable substances in the Premises, the hazardous insurance premiums or policies maintained by City shall be increased over normal rates for the building, the amount of the increase in the City insurance premium shall be paid to City by NSC from time to time on demand. NSC hereby covenants that it shall cease

and desist any activity so affecting the insurability of the Premises upon written demand of the City

NSC will not use nor permit to be used any advertising medium or device such as audio broadcast, loudspeaker, radio, public address system, remote radio station, or flashing or digital reader sign, without the prior written consent of the City

NSC shall not use the sidewalks or any other portions of the common areas for any purpose related to the selling of merchandise or services without the City's consent in writing.

NSC shall notify City in writing of all accidents or security-related incidents, i.e. crimes against person(s) and property, which occur in or about the Premises.

NSC is hereby responsible and liable for any freezing in pipes and/or within plumbing fixtures under the control of NSC and shall pay for the damages incurred. NSC shall keep the Premises at a sufficient temperature to prevent such freezing or make such arrangements with the local Utility to prevent freeze-ups.

18. CITY'S INSPECTION AND ACCESS. City or its Agent, employees and/or contractors shall have the right to enter the Premises at any reasonable time to examine the same; to show the Premises to prospective purchasers, lenders, or prospective lessees of the Premises; and to make such repairs, alterations, improvements or additions as City may deem necessary or desirable. If NSC is not personally present to permit entry and an entry is necessary, City or its Agent may, in the case of emergency or if the Premises are unsecured and temporarily unoccupied, forcibly enter or secure the same, or take such other steps to address the emergency that City deems appropriate, without rendering City liable therefore. Otherwise, all such work and installation shall be done, so far as practical, so as not to unreasonably interfere with NSC's use of the Premises. NSC also hereby grants unto City and its Agent the right, within four (4) months prior to the Termination Date, to post and to remain thereon, without hindrance or destruction, the usual notice of 'For Rent' on the storefront glass or front walls of said Premises. The exercise of any of these reserved rights by City shall not be deemed as an eviction or disturbance of NSC's use, possession and quiet enjoyment of the Premises, and shall never render City liable in any manner to NSC or any other person.

19 WAIVER OF SUBROGATION City and NSC waive all right of recovery against each other for any loss in or about the Properties, from perils insured against and under the fire insurance contract, including any all risk endorsements thereof, whether due to negligence or any other cause. This release of liability shall be operative only as long as waiver of subrogation clauses are available on insurance policies, in the amounts, form, kinds and with a company satisfactory to City

20. INDEMNITY AGAINST LIENS. NSC agrees that it will, at all times during this Lease, take any and all steps necessary to prevent the filing of mechanics liens against the Premises. NSC further agrees to indemnify and save the City harmless from and against any and all liabilities incurred by NSC or claimed or charged against the Premises. NSC shall promptly pay or otherwise discharge, any and all such claims, expenses and liens, including the mechanic's

materialmen's and other laborer's liens asserted or claimed against the Premises or any part thereof. In no event shall City or any of the City's property be liable for or chargeable with any expense or lien for work, labor or materials used for and in the Premises; or for any improvements thereof or changes made upon the order of NSC, or to discharge the obligations of the NSC.

21. FIRE AND/OR DESTRUCTION If the Premises shall be damaged by fire or other casualty during the Term hereof, City agrees to restore the structural components and items, as defined in Section 15 hereof, with reasonable dispatch to substantially the same condition that they were in prior to the fire or casualty. Once City restoration work is complete, and since time is of the essence, NSC's rent payment shall re-commence on the date that NSC reopens for business but no later than the sixtieth (60th) day after City notifies NSC in writing that the Premises are ready for fixturing. The NSC shall be responsible, at its sole cost and expense, to repair or replace any and all of the NSC's fixtures, equipment and leasehold improvements, which were damaged or destroyed by the same insured cause. The rent payable hereunder shall be equitably and proportionately abated, according to loss of use to NSC, during the period of time intervening between the date of such fire and/or destruction and the date that the Premises are restored. However, if the damage is due to the fault or the negligence of the NSC or its employees, there shall be no abatement of rent. If such destruction exceeds fifty percent (50%) of the insurable value of the Premises at the time of such destruction occurs, City at its option, may terminate this Lease as of the date of such destruction by giving NSC written notice of its intention to do so within sixty (60) days after such date of destruction. If this Lease is so terminated, then the rent payable hereunder shall be abated as of the date of same destruction and NSC shall remove all its property from the Premises within thirty (30) days after the receipt of written notice of termination. Unless City gives such notice, this Lease shall remain in full force and effect and City shall repair such damage as its expense, as expeditiously as possible under the circumstances. Notwithstanding the foregoing, in the event of damage to the Premises by fire or casualty which is not the result of NSC's negligence, and which cannot be repaired within one hundred eighty (180) days of occurrence, City or NSC shall have the right to terminate this Lease by giving the other party thirty (30) days prior written notice.

22. FORCE MAJEURE. In the event that either party hereto shall be delayed or hindered in, or prevented from, the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of a like nature, not the fault of the party delayed in performing the work or doing acts required under the terms of this Lease, then performance of such acts shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay provided, however that the provisions of this Lease shall not operate to release NSC from this Lease nor to excuse NSC, nor shall NSC in any event be excused from prompt payment of rent and adjustments, and all other charges due to City by NSC.

23. EMINENT DOMAIN If all the Premises are condemned or taken by the power of eminent domain exercised by any governmental or quasi-governmental authority, this Lease shall terminate as of the date that the NSC is required to vacate the Premises and all Rent shall be paid up to and until same date of termination. If only part of the Premises shall be taken and the size of the Premises are proportionately reduced, then the NSC is entitled to an equal and

proportionate reduction in Rent. Further, City shall, as expeditiously as possible, repair the remaining portion of Premises to the extent necessary to render the same suitable for which the Premises were leased. NSC hereby waives any right that it may have to any condemnation award or sum paid under threat of condemnation as a result of a complete or partial taking of the Premises and/or any portion of the common areas. If there is only a partial taking of the common areas, this Lease shall not terminate and this Lease shall remain in full force and in effect. After partial taking of the common areas, the City within a reasonable time thereafter shall repair or reconstruct the remaining portion of the common areas to the extent necessary to make the same a complete architectural unit.

24. NSC'S DEFAULT The occurrence of any one of the following events constitutes a default by the NSC and a breach of this Lease and its covenants by the NSC, if such default, breach or non performance is continued and not cured within ten (10) days after written notice from City: (a) The vacating or abandonment of the Premises by NSC, or the failure of the NSC to be open for business and for the conduct of business as described in the Use Clause Article found in this Lease Agreement, (b) The failure by NSC to make any payment of rent and adjustments on or before the due date thereof, (c) The failure by NSC to perform any covenants herein or the breach by NSC of any Lease covenants herein, other than those described in this section, and the further failure by NSC to cure such covenant breach or non-performance, or to commence to cure and diligently pursue the cure of the covenant breach or non-performance which cannot be fully remedied within ten (10) days, (d) Petition by NSC for bankruptcy, insolvency or general assignment for the benefit of its creditors, or receiver appointment for NSC for the substantial part of its assets and properties and such receiver is not removed within ten (10) days after its appointment, (e) If the NSC shall default as described in this section, or in the performance of any covenant contained in this Lease, and if such default is repeated once within the next twelve months then, notwithstanding that such defaults shall have been cured within the period after notice as herein provided, any further similar default within such twelve month period shall be deemed a NSC Default which cannot be cured, notwithstanding provisions for cure provided in this Lease. Upon such default, the City may proceed, with five days notice but no opportunity for cure, to exercise its remedies upon default.

25. CITY'S REMEDIES. In the event of NSC Default, including NSC's abandonment or vacating the Premises, City shall have the right, in addition to all other rights and remedies provided by the law, to terminate this Lease, and/or to re-enter and take possession of the Premises, peaceably or by force, and/or to change the locks thereto and to remove any property and merchandise therein, without liability to NSC for damage arising therefrom and without obligation to NSC to store any merchandise and property. Any costs of removal and storage of NSC's fixtures, inventory, equipment or any other personal property shall be the expense of NSC and shall be added to all sums owed by NSC to City. Further, City is under no obligation to NSC, after default or abandonment, to relet the Premises in the name of NSC or for the benefit of the City. City may, at its option and without subsequent notice to NSC, re-let the Premises for such term and on such covenants and purposes as City, in its sole discretion, may determine are in the best interest of the City. City may collect and receive all rents derived therefrom and apply the same, after deduction of appropriate expenses, to the payment of the rent overdue and payable hereunder from the NSC in default. The NSC in default shall remain liable for any deficiency. Further, City shall not be responsible for or liable for any failure to re-let the Premises or any part

hereof, or for any failure to collect any rent connected therewith. The City's recovery of possession of the Premises by any means shall not relieve the NSC of its obligation to pay rent and adjustments through the term of the Lease, including any extensions in effect at the time of default under which NSC then occupies the Premises.

Acceptance by City of delinquent rent from NSC after NSC Default shall not cure such default or entitle NSC to possession of the Premises. NSC hereby expressly waives any and all rights of redemption, if any granted by and under any present or future law, in the event that NSC shall be evicted or dispossessed for any cause in default or in the event that the City obtains possession of the Premises by virtue of the remedies outlined in this Lease, or otherwise. The receipt by City of rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by City of any covenant hereof shall be deemed to have been agreed upon, unless explicitly reduced to written agreement and signed by City and NSC.

All remedies of City shall be cumulative.

26. ATTORNEYS' FEES. NSC hereby agrees to pay all costs incurred by the City on account of the NSC's default, including but not limited to collection costs, court costs and attorney fees in an amount equal to twenty-five percent (25%) of any money owed to City by NSC at the time and accruing after City requests the assistance of an attorney. If NSC's default is a non-monetary default, NSC shall pay the greater of Two Hundred Fifty Dollars (\$250.00) or City's actual attorney's fees.

27. TERMINATION AND SURRENDER. Upon the Termination Date of this Lease, NSC shall surrender the Premises to City in as good condition as they were found upon the NSC taking possession of the Premises; except for ordinary wear and tear reduction of the Premises by condemnation or damage by fire, destruction or other casualties or causes beyond NSC's control. NSC shall deliver to City or its Agent all keys to the Premises and remove all its personal property, merchandise and trade fixtures. After NSC vacation or NSC abandonment, City may elect to retain or dispose of, in any manner NSC alterations and improvements or NSC's personal property that NSC does not remove from the Premises before or after the Termination Date. Title to any such NSC alterations or NSC's personal property that City elects to retain or dispose of after the Termination Date, shall vest to and in the City. NSC waives all claims against City for any damage to NSC resulting from City's retention or disposition of any such alterations or personal property. NSC is further liable to City for City's expenses and costs for removing and disposing of any NSC alterations or NSC personal property which City does not elect to acquire.

28. WAIVERS. The failure of City to insist, in any one or more instances, to strict performance by NSC as to any Lease covenants shall, not be construed as a waiver by City or relinquishment, in the future, of such covenants, but the same shall continue and remain in full force and effect. The receipt by City or its Agent of rent with knowledge of a covenant breach hereof shall not be deemed a waiver of the same covenant breach, and no waiver by City of any provision hereof shall be deemed to have been agreed upon unless expressed in writing and signed by the parties hereto.

NSC hereby waives the benefit of the homestead exemption as to this Lease.

29. EXCULPATION The term "City" as used in this Lease means only the owner, for the time being or at the time of Lease execution by NSC, of the building in which the Premises are located or the owner of a Lease of both said building and the land thereunder. City shall be liable for the performance of its obligations hereunder only to the extent of City's assets as they pertain to the Premises. The City and its officers, agents, employees, successors and assignees shall not be liable personally. Further, the liability of the City shall not extend beyond the period of time of City's ownership of the Premises.

30. SUCCESSORS AND ASSIGNS. All the terms, covenants and agreements of this Lease shall extend to and be binding upon the City and be binding upon the NSC and its respective heirs, administrators, executors, successors, assignees, sublessees, concessionaires, marital communities, if any, and their respective assigns; and/or upon any person or persons coming into ownership or possession of any interest in the Premises by operation of law or otherwise.

31. NOTICES. Any notice herein provided for to be given to City shall be deemed to be given if and when posted in United States registered or certified mail, postage prepaid, addressed to:

CITY'S NOTICE ADDRESS.

City Manager
City Manager's Office
810 Union Street, Suite 1100
Norfolk, Virginia 23510

Copy to:
Jim Resolute
Department of Real Estate
232 E Main Street, Suite 250
Norfolk, Virginia 23510

NSC'S NOTICE ADDRESS.

Norfolk Stationery Company Incorporated
103 Granby Street
Norfolk, Virginia 23510

Any notice herein provided for to be given to NSC shall be deemed to be given if and when posted in United States registered or certified mail, postage prepaid.

Either party may at any time, change its address for the purposes of notice hereof by sending a written notice to the other party stating the change and setting forth the new address.

32. SALES OR LEASEHOLD TAXES. NSC will be responsible for the payment of any sales or leasehold tax, or other tax, levied by any governmental authority. Such tax payment shall be paid directly to the appropriate governmental authority by NSC promptly after receipt of any such tax bill.

33. AMERICANS WITH DISABILITIES ACT In the event that any federal, state, or local government authority (the "Applicable Authority") with jurisdiction determines that the exterior and/or interior of the Premises are not in compliance with the Americans with Disabilities Act of 1990 (the "ADA"), City at its sole cost, agrees to take such remedial action as is required by the Applicable Authority pursuant to the ADA to correct or remedy such noncompliance. Alternatively, if in City's judgment the remedial or corrective measures proposed by the Applicable Authority do not have to be performed in order for City to be in compliance with the ADA, City may contest, at its sole cost, such matter in lieu of performing the remedial action. However, upon final judgment being entered against City in a court of competent jurisdiction with regard to ADA requirements, City agrees to take such remedial actions, at its sole cost, as ordered by such court.

34. BROKER: NSC is not represented by a Broker in this transaction.

35. ENTIRE AGREEMENT This Lease contains the entire agreement of the parties hereto. Any and all oral or written agreements, understandings, representations and warranties, promises and statements of the parties hereto or from their respective officers and directors or from their partners, Agents or brokers with respect to the subject matter of this Lease, and any matter not covered and mentioned in this Lease, shall be inferior and be merged in and by this Original Lease. No such prior oral or written agreement, understanding, representation or warranty promise or statement shall be effective or binding for any reason or purpose, unless specifically set forth in this original Lease. No provision of this Lease may be amended or added to except by an agreement in writing, signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

36. SEVERABILITY In the event that any provision herein is unlawful, or otherwise unenforceable, it shall be severed and deemed null and void and shall not impair the validity of the remaining provisions of this Lease.

(SIGNATURE PAGES FOLLOW)

IN WITNESS WHEREOF, the parties have caused this Lease to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

CITY OF NORFOLK

By Douglas L. Smith (SEAL)
Interim City Manager

Attest.

R. Breckenridge Daughtrey
City Clerk

COMMONWEALTH OF VIRGINIA

CITY OF NORFOLK, to-wit:

I, Tracey Cox Hasick, a Notary Public in and for the City of Norfolk, in the Commonwealth of Virginia, whose term of office expires on the 30 day of April, 2018, do hereby certify that Douglas L. Smith, Interim City Manager and R. Breckenridge Daughtrey, City Clerk, respectively of the City of Norfolk, whose names as such are signed to the foregoing Lease Agreement, have acknowledged the same before me in my City and State aforesaid.

Given under my hand this 1-day of May 2017

Tracey Cox Hasick
Notary Public
Registration No 7056195

Approved as to Contents:

[Signature]
Director of General Services

Approved as to Form and Correctness:

Nathanial [Signature]
Deputy City Attorney



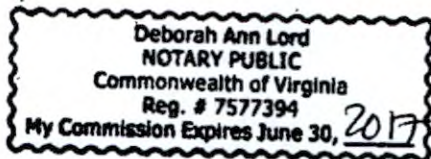
NORFOLK STATIONERY COMPANY,
INCORPORATED

By: Mary C Baker
Name (Printed): Mary C. Baker
Title: Owner/President

COMMONWEALTH OF VIRGINIA
CITY OF NORFOLK, to-wit:

I, Deborah Lord a Notary Public in and for the City of Norfolk, in the Commonwealth of Virginia, whose term of office expires on the 30th day of June, 2017 do hereby certify that Mary C. Baker, Owner/President (Title) of Norfolk Stationery Company Incorporated whose name is signed to the foregoing Lease Agreement, have acknowledged the same before me in my City and State aforesaid.

Given under my hand this 4th day of April, 2017



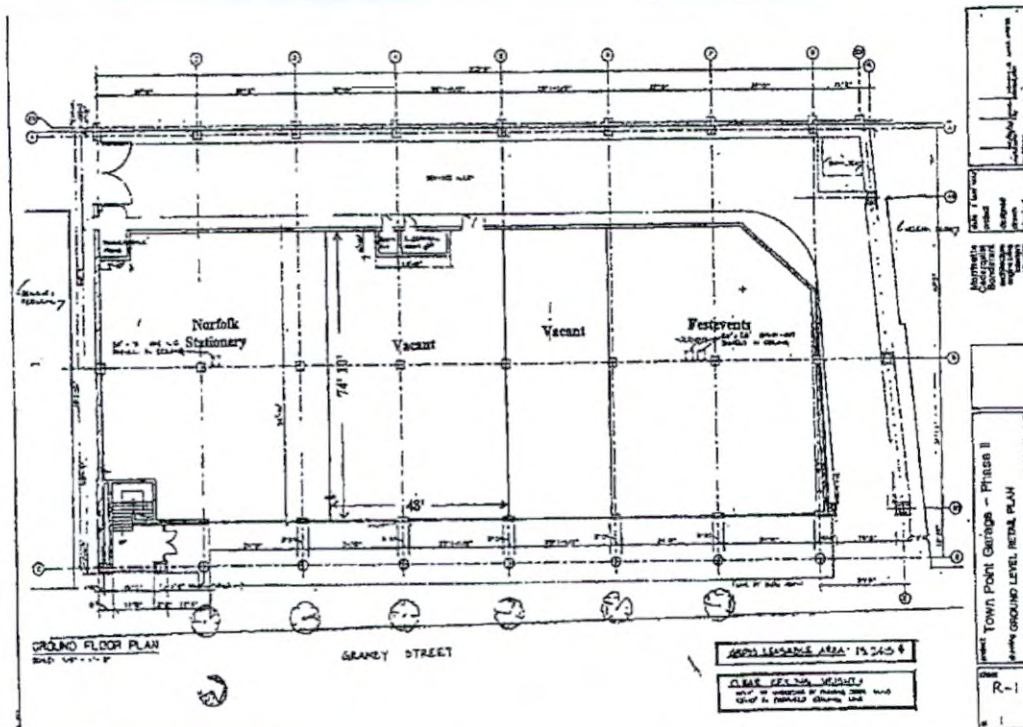
[Signature]
Notary Public
Registration No. 7577394

MY COMMISSION EXPIRES JUNE 30
REG. # 1211384
COMMONWEALTH OF VIRGINIA
NOTARY PUBLIC
DOROTHY ANN FORD

EXHIBIT A



FOR COMMERCIAL LEASE 103 - 125 Granby Street -Town Point Shops



For more information contact
James Resolute, Jr City of Norfolk Real Estate Office
232 E. Main Street, Suite 250 Norfolk, VA 23510
(757) 823-4586 james.resolute@norfolk.gov

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THE CITY OF
NORFOLK
GENERAL SERVICES